

**Commonwealth of Kentucky
Natural Resources and Environmental Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382**

AIR QUALITY PERMIT

Permittee Name: PC Kentucky Synthetic Fuel #3, LLC
Mailing Address: c/o Carbontronics Fuel Management, LLC
236 East Main Street
Lexington, Kentucky 40507

is authorized to construct and operate a synthetic fuel plant

Source Name: PC Kentucky Synthetic Fuel #3, LLC
Mailing Address: Same as above

Source Location: 8401 Highway 1379, Central City, Kentucky

Permit Type: Federally-Enforceable
Review Type: Conditional Major

Permit Number: F-02-002
Log Number: 50871
Application
Complete Date: October 11, 2001

KYEIS ID #: 21-177-00076
SIC Code: 2999

Region: Paducah - Cairo
County: Muhlenberg

Issuance Date: April 26, 2002
Expiration Date: April 26, 2007

**John S. Lyons, Director
Division for Air Quality**

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SECTION A - PERMIT AUTHORIZATION

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the construction and operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant.

The permittee shall not construct, reconstruct, or modify any affected facilities without first having submitted a complete application and receiving a permit for the planned activity from the permitting authority, except as provided in this permit or in State Regulation 401 KAR 52:030, Federally-enforceable permits for non-major sources.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by this Cabinet or any other federal, state, or local agency.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

- | | | |
|-----------|-------------|---|
| 01 | (02) | Conveyor and Transfer Points (Fines Conveyor)
Control: Full Enclosure |
| | (03) | Conveyor and Transfer Points (Fines Stacking Conveyor)
Control: Full Enclosure |
| | (05) | Receiving Hopper (Feed Hopper)
Control: Moisture Carryover |
| | (05) | Receiving Hopper (Feed Hopper)
Control: Moisture Carryover |
| | (07) | Conveyor and Transfer Points (Plant Feed Conveyor)
Control: Full Enclosure |
| | (08) | Screen (Plant Protection Screen)
(Maximum Rated Capacity – tons/hour)
Control: Full Enclosure |
| | (09) | Conveyor and Transfer Points (Mixer Feed Conveyor)
Control: Full Enclosure |
| | (10) | Pugmill Mixer #1
Control: Full Enclosure |
| | (10) | Pugmill Mixer #2
Control: Full Enclosure |
| | (11) | Conveyor and Transfer Points (Mixer Product Conveyor)
Control: Moisture Carryover |
| | (12) | Conveyor and Transfer Points (Synfuel Mill Feed Belt)
Control: Moisture Carryover |
| | (12) | Conveyor and Transfer Points (Synfuel Mill Feed Belt)
Control: Moisture Carryover |
| | (13) | Synfuel Mill #1
Control: Full Enclosure |
| | (13) | Synfuel Mill #2
Control: Full Enclosure |
| | (14) | Conveyor and Transfer Points (Product Collecting Belt)
Control: Moisture Carryover |

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

- 01** **(15)** **Conveyor and Transfer Points (Recycle Material Belt)**
Control: Moisture Carryover
- (16)** **Conveyor and Transfer Points (Product Transfer Belt)**
Control: Moisture Carryover
- (17)** **Conveyor and Transfer Points (Tripper Conveyor to Curing Stockpile)**
Control: Moisture Carryover
- (19)** **Conveyor and Transfer Points (Product Reclaim Conveyor)**
Control: Moisture Carryover
- (20)** **Conveyor and Transfer Points (Product Stacking Belt to Peabody Stockpiles)**
Control: Moisture Carryover
- 02** **(04)** **Stockpile (1/8 x 0 Coal Fines)**
Control: Moisture Carryover
- (-)** **Loadout (Coal Fines to Feed Hoppers)**
Control: Moisture Carryover
- (-)** **Stockpile (Recycle)**
Control: Moisture Carryover
- (-)** **Loadout (From Recycle Stockpile)**
Control: Moisture Carryover
- (18)** **Stockpile (Curing)**
Control: Moisture Carryover
- (-)** **Loadout (From Curing Stockpile)**
Control: Moisture Carryover
- (-)** **Stockpile (Existing Peabody)**
Control: Moisture Carryover
- (-)** **Loadout (From Peabody Stockpiles)**
Control: Moisture Carryover
- 03** **(-)** **Haul Road & Yard Area**
Control: Water Spray

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

ADDITIONS TO THE SOURCE:

- 04 (EP09) Conveyor and Transfer Points (Peabody Feedstock Conveyor)**
Control: Moisture Carryover
- 05 (EP01) Conveyor and Transfer Points (Synfuel Conveyor)**
Control: Full Enclosure
- (EP03) Conveyor and Transfer Points (Dried Synfuel Collecting Conveyor)**
Control: Partial Enclosure
- (EP04) Conveyor and Transfer Points (Radial Stacker)**
Control: Full Enclosure
- (EP05) Receiving Hopper (Dried Synfuel Collecting Hopper)**
Control: Partial Enclosure
- (EP06) Conveyor and Transfer Points (Dried Synfuel Conveyor)**
Control: Full Enclosure
- (EP07) Receiving Hopper (Dried Synfuel Collecting Hopper)**
Control: Partial Enclosure
- (EP08) Truck Loading**
Control: Minimal Drop Height
- 06 (-) Stockpile (Dried Synfuel)**
Control: Moisture Carryover
- (-) Loadout**
Control: Moisture Carryover

By-Pass Synfuel Curing Facility

- 08 (EP10) Conveyor and Transfer Points (Diversion Conveyor)**
Control: Moisture Carryover
- (EP12) Conveyor and Transfer Points (Peabody Conveyor)**
Control: Moisture Carryover
- (EP11) Conveyor and Transfer Points (Curing Oven Bypass Conveyor)**
[From Diversion Conveyor (EP10) to Collector Conveyor (EP03)]
Control: Moisture Carryover

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

ADDITIONS TO THE SOURCE: (CONTINUED)

By-Pass Synfuel Curing Facility (Continued)

- 08 (EP13) Conveyor and Transfer Points (Transfer Conveyor)**
Control: Moisture Carryover
- (EP14) Conveyor and Transfer Points (Radial Stacker)**
Control: Moisture Carryover
- 09 (-) Stockpile (Synfuel Coal Bin)**
Control: Moisture Carryover
- (-) Loadout**
Control: Moisture Carryover
- (EP15) Stockpile (Customer)**
Control: Moisture Carryover
- (-) Loadout**
Control: Moisture Carryover

APPLICABLE REGULATIONS:

State Regulation 401 KAR 63:010, Fugitive emissions, applies to each of the affected facilities listed above (Emission Points 01, 02, 03, 04, 05, 06, 08 and 09).

1. Operating Limitations:

N/A

2. Emission Limitations:

The materials processed at each affected facility listed above shall be controlled with wet suppression and/or enclosures so as to comply with the requirements specified in State Regulation 401 KAR 63:010, Fugitive emissions, Section 3, Standards for fugitive emissions.

Compliance Demonstration Method:

See Section E – Source Control Equipment Requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

3. Testing Requirements:

- a, Pursuant to State Regulation 401 KAR 59:005, General provisions, Section 2(1), this permit shall allow time for the initial start-up, operation and compliance demonstration of the affected facilities listed herein. However, within 60 days after achieving the maximum production rate at which the affected facilities will be operated, but not later than 180 days after initial start-up of such facilities, the owner or operator shall demonstrate compliance to a duly authorized representative of the Division.
- b. Pursuant to State Regulation 401 KAR 59:005, General provisions, Section 3(1)(b), unless notification and justification to the contrary are received by this Division, the date of achieving the maximum production rate at which the affected facilities will be operated shall be deemed to be 30 days after initial start-up.

4. Specific Monitoring Requirements:

See Section E, Conditions 2 and 3.

5. Specific Recordkeeping Requirements:

See Section F, Condition 2.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7, 8, 9, 10, and 11.
See Section G, General Condition (a) 4.

7. Specific Control Equipment Operating Conditions:

See Section E – Source Control Equipment Requirements.

8. Alternate Operating Scenarios:

N/A

9. Compliance Schedule:

N/A

10. Compliance Certification Requirements:

See Section F, Condition 8.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

07 (EP02) Synfuel Dryer
Liquid Propane Burner - 40 mmBtu/hr (Primary Fuel)
Natural Gas Burner - 40 mmBtu/hr (Backup Fuel)
Control: Venturi Wet Scrubbers

(EP02) Synfuel Dryer
Liquid Propane Burner - 40 mmBtu/hr (Primary Fuel)
Natural Gas Burner - 40 mmBtu/hr (Backup Fuel)
Control: Venturi Wet Scrubbers

APPLICABLE REGULATIONS:

State Regulation 401 KAR 59:010, New process operations, which applies to emission units constructed on or after July 2, 1975

State Regulation 401 KAR 59:015, New indirect heat exchangers, which applies to emission units constructed on or after April 9, 1972

1. Operating Limitations:

The maximum amount of product dried in the two synfuel dryers shall not exceed the maximum process limit of 430 tons per hour total for the facility.

2. Emission Limitations:

- a. To preclude major source applicability under Title V PM/PM₁₀ emissions shall not exceed 22.60 lbs/hour.
- b. Pursuant to State Regulation 401 KAR 59:010, Section 3, no person shall cause, suffer, allow or permit any continuous emission into the open air from a control device or stack which is equal to or greater than twenty (20) percent opacity.
- c. Pursuant to State Regulation 401 KAR 59:015, Section 4(2), the opacity of visible emissions from the combustion of propane/natural gas shall not exceed twenty (20) percent except that a maximum of forty (40) percent opacity shall be permissible for not more than six (6) consecutive minutes during cleaning the fire box or blowing soot.

Compliance Demonstration Method:

- a. Compliance with the hourly process emission limit for PM/PM₁₀ shall be determined as follows:

Hourly Emission Rate = [Monthly processing rate x Emission Factor as determined from the latest stack test / Hours of operation per month]

- b. In determining compliance with the opacity standards listed above, the owner or operator shall use Method 9 and the procedure as described in 40 CFR 60.11.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

3. Testing Requirements:

Performance tests/compliance demonstrations using applicable methods referenced in State Regulation 401 KAR 50:015, for particulate matter, shall be performed in accordance with General Condition G(d)5. and 6. to demonstrate that particulate emissions do not exceed 100 tons per year.

See Section D, Conditions 1 and 2.

See Section F, Condition 10.

4. Monitoring Requirements:

The permittee shall monitor and maintain records of the following information:

- a. The monthly synthetic fuel production and hours of operation.
- b. The daily propane/natural gas usage rate (cubic feet per day or gallons per month).
- c. The daily or monthly hours of operation (hours operated per day and/or month) of the burner for each fuel combusted and/or any combination.
- d. The pressure drop (in psia) across the control device (Venturi scrubber) daily.
- e. The scrubber liquid flow rate (in gal/min) daily.
- f. During periods of burner startup, shutdown or malfunction, a daily (calendar day) log of the following information shall be kept:
 - 1) Whether any air emissions were visible from the burner stack.
 - 2) Whether the visible emission were normal for the process.
 - 3) The color of the emissions and whether the emissions were light or heavy.
 - 4) The cause of the abnormal visible emissions.
 - 5) Any corrective actions taken.

The permittee shall install, calibrate, maintain, and operate according to the manufacturer's specifications monitoring devices to determine the static pressure drop across each scrubber and the flow rate of the scrubber's liquid. These monitoring devices shall be read and the readings recorded once a day during the operation of the unit.

See Section F, Condition 1.

5. Recordkeeping Requirements:

See Condition 4, **Monitoring Requirements** above.

See Section F, Conditions 1 and 2.

6. Reporting Requirements:

See Section F, Conditions 5, 6, 7, 8, 9, 10, and 11.

See Section G, General Condition (a) 4.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

7. Specific Control Equipment Operating Conditions:

- a. The control equipment (Venturi wet scrubbers) shall be operated properly in accordance with the manufacture's specifications and/or standard operating procedures at all times the dryers are in use.
- b. Records regarding the maintenance and operation of the control equipment shall be maintained and made available for inspection by any duly authorized representative of the Division for Air Quality.
- c. The operating efficiency determined at the time of the stack test shall be recorded and verified by monitoring the parameters of pressure drop (psia) across the venturi scrubber and the scrubber's liquid flow rate (gal/min) that were determined during the required stack test. For any abnormalities while in operation, please refer to Section F - Monitoring, Record Keeping, and Reporting Requirements, Item 6.
- d. See Section E for additional requirements.

8. Alternate Operating Scenarios:

N/A

9. Compliance Schedule:

N/A

10. Compliance Certification Requirements:

See Section F, Condition 8.

SECTION C - INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to State Regulation 401 KAR 52:030, Section 6. While these activities are designated as insignificant the permittee must comply with the applicable regulation and some minimal level of periodic monitoring may be necessary.

Description

Generally Applicable Regulation

None

SECTION D - SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS

1. As required by Section 1b of the material incorporated by reference in State Regulation 401 KAR 52:030 Section 10, compliance with annual emissions and processing limitations contained in this permit, shall be based on emissions and processing rates for any twelve (12) consecutive months.
2. PM / PM₁₀, CO, VOC, SO₂, and NO_x emissions, as measured by methods referenced in State Regulation 401 KAR 50:015, Section 1, shall not exceed the respective limitations specified herein.

SECTION E - SOURCE CONTROL EQUIPMENT REQUIREMENTS

1. Pursuant to State Regulation 401 KAR 50:055, Section 2(5), at all times, including periods of startup, shutdown and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Division which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.
2. Pursuant to State Regulation 401 KAR 50:055, General compliance requirements, Section 2(5), all air pollution control equipment and all pollution control measures proposed by the application in response to which this permit is issued shall be in place, properly maintained, and in operation at any time an affected facility for which the equipment and measures are designed is operated, except as provided by State Regulation 401 KAR 50:055, Section 1.
3. All the air pollution control systems shall be maintained regularly in accordance with good engineering practices and the recommendations of the respective manufacturers. A log shall be kept of all routine and non routine maintenance performed on each control device. Daily observations are required during daylight hours of all operations, control equipment and any visible emissions to determine whether conditions appear to be either normal or abnormal. If the operations, controls and/or emissions appear abnormal, the permittee must then comply with the requirements of Section F, Condition 7. of this permit.

SECTION F - MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS

1. Pursuant to Section 1b (IV)(1) of the materials incorporated by reference in State Regulation 401 KAR 52:030, Section 10, when continuing compliance is demonstrated by periodic testing or instrumental monitoring, the permittee shall compile records of required monitoring information that include:
 - a. Date, place (as defined in this permit), and time of sampling or measurements.
 - b. Analyses performance dates;
 - c. Company or entity that performed analyses;
 - d. Analytical techniques or methods used;
 - e. Analyses results; and
 - f. Operating conditions during time of sampling or measurement;
2. Pursuant to Section 1b (IV)(1) of the materials incorporated by reference in State Regulation 401 KAR 52:030, Section 10, records of all required monitoring data, support information (including calibrations, maintenance records, and original strip chart recordings), and reports required by the Division for Air Quality shall be retained by the permittee for a period of five years. In accordance with Section 1a (7) of the materials incorporated by reference in State Regulation 401 KAR 52:030, Section 10 and State Regulation 401 KAR 52:030, Section 3(1)(f)1a, these records shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality.
3. In accordance with the requirements of State Regulation 401KAR 52:030, Section 3(1)(f), the permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times:
 - a. Access and copy any records required by this permit, enter upon the premises to inspect any facility, equipment (including air pollution control equipment), practice, or operation; and
 - b. Sample or monitor substances or parameters that affect compliance with the permit or any applicable requirements.Reasonable times include all hours of operation, normal office hours, and during an emergency.
4. No person shall obstruct, hamper, or interfere with any Cabinet employee or authorized representative while in the process of carrying out official duties. Refusal of entry or access may constitute grounds for permit revocation and assessment of civil penalties.
5. Summary reports of any monitoring required by this permit, other than continuous emission or opacity monitors, shall be reported to the Division's Owensboro Regional Office at least every six (6) months during the life of this permit, unless otherwise stated in this permit. The reports are due within 30 days after the end of each six-month reporting period. The initial issuance date of this permit establishes the beginning of the first reporting period. The permittee may shift to semi-annual reporting on a calendar year basis upon approval of the regional office. If calendar year reporting is approved, the semi-annual reports are due January 30th and July 30th of each year. Data from the continuous emission and opacity monitors shall be reported to the Technical Services Branch in accordance with the requirements of State Regulation 401 KAR 59:005, General Provisions, Section 3(3). All reports shall be certified by a responsible official pursuant to Section 22 of State Regulation 401 KAR 52:030. All deviations from permit requirements shall be clearly identified in the reports.

SECTION F - MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

6. In accordance with the provisions of State Regulation 401 KAR 50:055, Section 1, the owner or operator shall notify the Division for Air Quality's Owensboro Regional Office concerning startups, shutdowns, or malfunctions as follows:
 - a. When emissions during any planned shutdowns and ensuing startups will exceed the standards, notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 - b. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards notification shall be made as promptly as possible by telephone (or other electronic media) and shall cause written notice upon request.
7. Pursuant to Section 1b. V. 3) and 4) of the material incorporated by reference in State Regulation 401 KAR 52:030, Section 10, the owner or operator shall report emission related exceedances from permit requirements including those attributed to upset conditions (other than emission exceedances covered by condition 6 above) to the Division for Air Quality's Owensboro Regional Office within 30 days. Other deviations from permit requirements shall be included in the semi-annual report required by Section F.5.
8. Pursuant to State Regulation 401 KAR 52:030, Section 21, the permittee shall certify compliance with the terms and conditions contained in this permit, annually on the permit issuance anniversary date or by January 30th of each year if calendar year reporting is approved by the regional office, by completing and returning a Compliance Certification Form (DEP 7007CC) (or an approved alternative) to the Division for Air Quality's Owensboro Regional Office in accordance with the following requirements:
 - a. Identification of each term or condition of the permit that is the basis of the certification;
 - b. The compliance status regarding each term or condition of the permit;
 - c. Whether compliance was continuous or intermittent; and
 - d. The method used for determining the compliance status for the source, currently and over the reporting period.
 - e. The certification shall be postmarked by January 30th of each year. Annual compliance certifications should be mailed to the following addresses:

Division for Air Quality
Owensboro Regional Office
3032 Alvey Park Drive W., Suite 700
Owensboro, Kentucky 42303-2191

Division for Air Quality
Central Files
803 Schenkel Lane
Frankfort, KY 40601

9. In accordance with Regulation 401 KAR 50:035, Section 23, the permittee shall provide the division with all information necessary to determine its subject emissions within thirty (30) days of the date the KEIS emission report is mailed to the permittee. If a KEIS emission report is not mailed to the permittee, comply with all other emission reporting requirements in this permit.

SECTION F - MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

10. Pursuant to Section VII.3 of the policy manual of the Division for Air Quality as referenced by Regulation 401 KAR 50:016, Section 1(1), results of performance test(s) required by the permit shall be submitted to the Division by the source or its representative within forty-five days after the completion of the fieldwork.
11. The cabinet may authorize the temporary use of an emission unit to replace a similar unit that is taken off-line for maintenance, if the following conditions are met:
 - a. The owner or operator shall submit to the cabinet, at least ten (10) days in advance of replacing a unit, the appropriate Forms DEP7007AI to DD that show:
 - i. The size and location of both the original and replacement units; and
 - ii. Any resulting change in emissions;
 - b. The PTE of the replacement unit shall not exceed that of the original unit by more than twenty-five (25) percent of a major source threshold, and the emissions from the unit shall not cause the source to exceed the emissions allowable under the permit;
 - c. The PTE of the replacement unit or the resulting PTE of the source shall not subject the source to a new applicable requirement;
 - d. The replacement unit shall comply with all applicable requirements; and
 - e. The source shall notify Regional office of all shutdowns and start-ups.
 - f. Within six (6) months after installing the replacement unit, the owner or operator shall:
 - i. Re-install the original unit and remove or dismantle the replacement unit; or
 - ii. Submit an application to permit the replacement unit as a permanent change.

SECTION G - GENERAL CONDITIONS

(a) General Compliance Requirements

1. The permittee shall comply with all conditions of this permit. A noncompliance shall be (a) violation(s) of State Regulation 401 KAR 52:030, Federally-enforceable permits for non-major sources, Section 3(1)(b) and is also a violation of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act). Noncompliance with this permit is grounds for enforcement action including but not limited to the termination, revocation and reissuance, revision, or denial of this permit. [Section 1a 2) of the materials incorporated by reference in 401 KAR 52:030, Section 10]
2. Notification by the permittee of a planned change or anticipated noncompliance, or filing of a request for any permit revision, reissuance, or rescission shall not stay any permit condition. [Section 1a 5) of the materials incorporated by reference in 401 KAR 52:030, Section 10]
3. Pursuant to Section 1a 2) of the materials incorporated by reference in 401 KAR 52:030, Section 10, 401 KAR Section 7 3), and 401 KAR 50:060, Section 2, this permit may be revised, revoked, reopened and reissued, or terminated for cause in accordance with 401 KAR 52:030 Section 18. The permit will be reopened for cause and revised accordingly under the following circumstances:
 - a. If additional applicable requirements become applicable to the source and the remaining permit term is three (3) years or longer. In this case, the reopening shall be completed no later than eighteen (18) months after promulgation of the applicable requirement. A reopening shall not be required if compliance with the applicable requirement is not required until after the date on which the permit is due to expire, unless this permit or any of its terms and conditions have been extended pursuant to Regulation 401 KAR 52:030, Section 12;
 - b. The Cabinet or the U. S. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements.;
 - c. The Cabinet or the U. S. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit;

Proceedings to reopen and reissue a permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists. Reopenings shall be made as expeditiously as practicable. Reopenings shall not be initiated before a notice of intent to reopen is provided to the source by the Division, at least thirty (30) days in advance of the date the permit is to be reopened, except that the Division may provide a shorter time period in the case of an emergency.

4. The permittee shall furnish upon request information requested by the Division to determine compliance with the permit or to determine if cause exists for modifying, revoking and reissuing, or terminating the permit. [Sections 1a 6) and 7) of the materials incorporated by reference in 401 KAR 52:030, Section 10]

SECTION G - GENERAL CONDITIONS (CONTINUED)

5. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information to the permitting authority. [401 KAR 52:030, Section 7(1)]
6. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit. [Section 1a 11) of the materials incorporated by reference in 401 KAR 52:030, Section 10]
7. The permittee shall not use as a defense in an enforcement action the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance. [Section 1a 3) of the materials incorporated by reference in 401 KAR 52:030, Section 10]
8. Except as identified as state-origin requirements in this permit, all terms and conditions contained herein shall be enforceable by the United States Environmental Protection Agency and citizens of the United States. [Section 1a 12) b) of the materials incorporated by reference in 401 KAR 52:030, Section 10]
9. This permit shall be subject to suspension if the permittee fails to pay all emissions fees within 90 days after the date of notice as specified in 401 KAR 50:038, Section 3(6). [Section 1a 9) of the materials incorporated by reference in 401 KAR 52:030, Section 10]
10. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance. [401 KAR 52:030, Section 11(3)]
11. This permit does not convey property rights or exclusive privileges. [Section 1a 8) of the materials incorporated by reference in 401 KAR 52:030, Section 10]
12. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by the Kentucky Cabinet for Natural Resources and Environmental Protection or any other federal, state, or local agency.
13. Nothing in this permit shall alter or affect the authority of U.S. EPA to obtain information pursuant to Federal Statute 42 USC 7414, Inspections, monitoring, and entry.
14. Nothing in this permit shall alter or affect the authority of U.S. EPA to impose emergency orders pursuant to Federal Statute 42 USC 7603, Emergency orders.
15. Permit Shield - A permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of permit issuance. Compliance with the conditions of this permit shall be considered compliance with:
 - a. Applicable requirements that are included and specifically identified in this permit; and
 - b. Non-applicable requirements expressly identified in this permit.

SECTION G - GENERAL CONDITIONS (CONTINUED)

16. Emission units described in this permit shall demonstrate compliance with applicable requirements if requested by the Division. [401 KAR 52:030, Section 3(1)(c)]
17. The authority to operate granted through this permit shall cease to apply if the source fails to submit additional information requested by the Division after the completeness determination has been made on any application, by whatever deadline the Division sets. [401 KAR 52:030, Section 8(2)]
18. All previously issued construction and operating permits are hereby subsumed into this permit.

(b) Permit Expiration and Reapplication Requirements

This permit shall remain in effect for a fixed term of five (5) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division. [401 KAR 52:030, Section 12]

(c) Permit Revisions

1. Minor permit revision procedure specified in State Regulation 401 KAR 52:030, Section 14(3) may be used for permit revisions involving the use of economic incentive, marketable permit, emission trading, and other similar approaches, to the extent that these minor permit revision procedures are explicitly provided for in the SIP or in applicable requirements and meet the relevant requirements of State Regulation 401 KAR 52:030, Section 14(2).
2. This permit is not transferable by the permittee. Future owners and operators shall obtain a new permit from the Division for Air Quality. The new permit may be processed as an administrative amendment if no other change in this permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility coverage and liability between the current and new permittee has been submitted to the permitting authority within ten (10) days following the transfer.

(d) Construction, Start-Up, and Initial Compliance Demonstration Requirements

1. Construction of process and/or air pollution control equipment authorized by this permit shall be conducted and completed only in compliance with the conditions of this permit.

SECTION G - GENERAL CONDITIONS (CONTINUED)

(d) Construction, Start-Up, and Initial Compliance Demonstration Requirements (Continued)

2. Within thirty (30) days following commencement of construction, and within fifteen (15) days following start-up, and attainment of the maximum production rate specified in the permit application, or within fifteen (15) days following the issuance date of this permit, whichever is later, the permittee shall furnish to the Division for Air Quality's Owensboro Regional Office in writing, with a copy to the Division's Frankfort Central Office, notification of the following:
 - a. The date when construction commenced.
 - b. The date of start-up of the affected facilities listed in this permit.
 - c. The date when the maximum production rate specified in the permit application was achieved.
 - d. Summary reports, as referenced in section F.5., of any monitoring required by this permit, for emission units that were still under construction or which had not commenced operation at the end of the six-month period covered by the report, shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation.
3. Affected facilities that are not completed in accordance with State Regulation 401 KAR 52:030, Section 3(2) shall lose the construction and operation authorization granted in this permit. Accordingly:
 - a. Construction shall commence no later than 18 months after the date of issue of this permit;
 - b. Construction shall not begin and discontinue for 18 months or more unless the construction authorized is approved as a phased project;
 - c. Construction shall be completed within 18 months of the scheduled completion date; and
 - d. Each phase of a phased construction project shall commence construction within 18 months of the projected and approved commencement date.Upon a written request, the Division may extend these time periods if the source shows good cause.
4. Operation of the affected facilities for which construction is authorized by this permit shall not commence until compliance with the applicable standards specified herein has been demonstrated pursuant to 401 KAR 50:055, except as provided in Section I of this permit.
5. This permit shall allow time for the initial start-up, operation, and compliance demonstration of the affected facilities listed herein. However, within sixty (60) days after achieving the maximum production rate at which the affected facilities will be operated but not later than 180 days after initial start-up of such facilities, the permittee shall conduct a performance test on one of the pellet dryers, for emissions of particulate matter, in accordance with State Regulation 401 KAR 50:055, General compliance requirements. These performance tests must be conducted in accordance with General Condition G(d)6 of this permit and the permittee must also furnish a written report of the results of such performance test to the Division for Air Quality's Frankfort Central Office.

SECTION G - GENERAL CONDITIONS (CONTINUED)

(d) Construction, Start-Up, and Initial Compliance Demonstration Requirements (Continued)

6. Pursuant to Section VII 2.(1) of the policy manual of the Division for Air Quality as referenced by State Regulation 401 KAR 50:016, Section 1.(1), at least one month prior to the date of the required performance test, the permittee shall complete and return a Compliance Test Protocol (Form DEP 6027) to the Division's Frankfort Central Office. Pursuant to State Regulation 401 KAR 50:045, Section 5, the Division shall be notified of the actual test date at least ten (10) days prior to the test.

(e) Acid Rain Program Requirements

1. If an applicable requirement of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act) is more stringent than an applicable requirement promulgated pursuant to Federal Statute 42 USC 7651 through 7651o (Title IV of the Act), both provisions shall apply, and both shall be state and federally enforceable.

(f) Emergency Provisions

1. Pursuant to State Regulation 52:030, Section 23(1), an emergency shall constitute an affirmative defense to an action brought for noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or other relevant evidence that:
 - a. An emergency occurred and the permittee can identify the cause of the emergency;
 - b. The permitted facility was at the time being properly operated;
 - c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and,
 - d. The permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two (2) working days after the time when emission limitations were exceeded due to the emergency. The notice shall include a description of the emergency, steps taken to mitigate emissions, and the corrective actions taken.
2. Notification of the Division does not relieve the source of any other local, state or federal notification requirements.
3. Emergency conditions listed in General Condition (f)1 above are in addition to any emergency or upset provision(s) contained in an applicable requirement. [401 KAR 52:030, Section 23(3)]
4. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof. [401 KAR 52:030, Section 23(2)]

SECTION G - GENERAL CONDITIONS (CONTINUED)

(g) Risk Management Provisions

1. The permittee shall comply with all applicable requirements of 401 KAR Chapter 68, Chemical Accident Prevention, which incorporates by reference 40 CFR Part 68, Risk Management Plan provisions. If required, the permittee shall comply with the Risk Management Program and submit a Risk Management Plan to:

RMP Reporting Center
P.O. Box 3346
Merrifield, VA, 22116-3346

2. If requested, submit additional relevant information to the Division or the U.S. EPA.

(h) Ozone depleting substances

1. The permittee shall comply with the standards for recycling and emissions reduction pursuant to 40 CFR 82, Subpart F, except as provided for Motor Vehicle Air Conditioners (MVACs) in Subpart B:
 - a. Persons opening appliances for maintenance, service, repair, or disposal shall comply with the required practices contained in 40 CFR 82.156.
 - b. Equipment used during the maintenance, service, repair, or disposal of appliances shall comply with the standards for recycling and recovery equipment contained in 40 CFR 82.158.
 - c. Persons performing maintenance, service, repair, or disposal of appliances shall be certified by an approved technician certification program pursuant to 40 CFR 82.161.
 - d. Persons disposing of small appliances, MVACs, and MVAC-like appliances (as defined at 40 CFR 82.152) shall comply with the recordkeeping requirements pursuant to 40 CFR 82.166.
 - e. Persons owning commercial or industrial process refrigeration equipment shall comply with the leak repair requirements pursuant to 40 CFR 82.156.
 - f. Owners/operators of appliances normally containing 50 or more pounds of refrigerant shall keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR 82.166.
2. If the permittee performs service on motor (fleet) vehicle air conditioners containing ozone-depleting substances, the source shall comply with all applicable requirements as specified in 40 CFR 82, Subpart B, Servicing of Motor Vehicle Air Conditioners.

SECTION H - ALTERNATE OPERATING SCENARIOS: NA

SECTION I - COMPLIANCE SCHEDULE: NA